

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Southern California Edison  
Company (U 338 E) Regarding the Future  
Disposition of the Mohave Generating Plant.

Application 02-05-046  
(Filed May 17, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING  
REQUESTING ADDITIONAL TESTIMONY AND/OR BRIEFING**

**Summary**

This Administrative Law Judge's (ALJ) Ruling requests that parties submit additional testimony and/or briefing on (1) Southern California Edison Company's (Edison) testimony on the critical path necessary for plant re-powering; (2) studies on water supply alternatives; (3) legal affect of California's water policy and use of water from the C-Aquifer or other potential out-of-state sources; and (4) applicability of California Environmental Quality Act (CEQA) and/or the National Environmental Policy Act (NEPA) standards to the Commission's assessment of Edison's application and water and coal alternatives. Documents are due July 1, 2003. Replies are not requested at this time.

**Background**

Edison filed its application and supporting testimony on May 17, 2002, seeking Commission authorization to either (1) recognize that the Mohave Generating Station (Mohave) in Laughlin, Nevada, will no longer function as a coal-fired plant after 2005 and establish the appropriate balancing accounts for plant closure, or (2) authorize Edison to spend up to \$58 million in 2003 on

pollution controls and associated capital improvements required by a 1999 consent decree<sup>1</sup> in order for the facility to continue as a coal-fired plant post 2005. Edison indicated in the May 2002 application that it was actively involved in negotiations for a continued supply of coal and water, but unless those critical issues were resolved, it could not continue as a coal-fired plant post 2005 in any event.

Edison filed supplemental testimony on January 30, 2003, and this testimony informed the Commission that negotiations on the coal and water issues were stalled, and realistically Edison needs to plan for the decommissioning and closure of the Mohave facility. Edison therefore seeks Commission approval for the establishment of balancing accounts for a systematic closure of the plant.

The intervenors and other parties served testimony on March 28, 2003, and concurrent rebuttal testimony was received on May 16, 2003. Not all the other parties agree that Edison's only option is to close the Mohave facility and advocated that other solutions be explored.

A second Prehearing Conference (PHC) was held on May 23, 2003. At that PHC, the parties discussed different proposed alternatives to the closure of Mohave and suggested ways to make progress on the coal and water issues. Commissioner Lynch indicated that the record would benefit from additional testimony or briefing and ordered that this ruling issue.

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<sup>1</sup> The Mohave Environmental Consent Decree settled a federal civil lawsuit, CV-S-98-00305-LDG (RJJ), that was filed against Edison and the other Mohave Co-owners in 1997, alleging various air quality violations at Mohave.

## **Additional Briefing/Testimony**

### **Edison's Testimony on the Critical Path to Re-Powering**

Edison supplied information in its testimony and supplemental testimony on its projections of the critical path to re-powering Mohave. Parties are directed to review Edison's information and (1) determine if Edison has provided sufficient information on the critical path, and if not, what additional information is necessary, and (2) respond to the information Edison has provided. The Commission is interested in timelines for the installation of the pollution control equipment and related infrastructure improvements, amount of money that must be spent along the timeline, and the length of any cessation of operation that might be necessary before the plant can be re-powered in conformity with the consent decree.

As a corollary to this topic, parties are asked to propose an interim order for spending money on pollution controls at Mohave, with specifics about amounts of money in relationship to timelines, and the effect of spending on any cessation of operation.

### **Water Supply**

The testimony filed by many of the intervenors and other interested parties suggested numerous alternatives to the closure of Mohave. In fact, the majority of parties advocated exploring options through studies to exhaust all possible options before a final determination is made that closure is the only option. In particular, many argued that a viable solution to the water issue was obtaining water from the C-Aquifer. However, before it can be determined if the C-Aquifer will provide the required amount of water, a hydrologic feasibility study must be done. This ruling directs the parties to address the

particulars of this hydrologic study, including the scope of the study, the projected cost, who should pay the cost, and the time line. The Commission is particularly interested in the projected length of time the plant will not be producing electricity for California.

In addition, other parties opined that alternative water sources to the C-Acquifer needed to be studied. This ruling directs parties with other suggestions on a potential water supply for Mohave to identify the source and address the particulars of the study necessary to explore the source, including the scope of the study, the projected cost, who should pay the cost, and the time line.

### **California Water Policy**

A question was raised concerning the application of California's water policy to the water that is used to both slurry coal from the mines to the Mohave plant and to run the plant. The Commission requests briefing on this legal issue and its applicability to out-of-state water used at an out-of-state facility owned by a California regulated utility that provides electricity to California.

Briefing/testimony is due July 1, 2003.

### **Environmental Standards**

The Commission requests briefing on whether the standards of the CEQA and/or the NEPA are applicable, and if so, how do the standards affect the Commission's assessment of Edison's application and alternatives to the water and coal issues.

#### **IT IS RULED that:**

1. Parties are requested to submit additional testimony and/or briefing on (1) Southern California Edison Company's testimony on the critical path necessary for plant re-powering; (2) studies on water supply alternatives;

(3) legal affect of California's water policy and use of water from the C-Aquifer or other out-of-state sources; and (4) applicability of California Environmental Quality Act and/or the National Environmental Policy Act standards to the Commission's assessment of Edison's application and water and coal alternatives. Documents are due July 1, 2003. Replies are not requested at this time.

2. Documents are due July 1, 2003. Replies are not requested at this time.

Dated June 13, 2003, at San Francisco, California.

/s/ CAROL A. BROWN

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Carol A. Brown  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Requesting Additional Testimony and/or Briefing on all parties of record in this proceeding or their attorneys of record.

Dated June 13, 2003, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.